

In the Matter of)	No. G 99-14
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
NORTH WEST LIFE ASSURANCE)	AND ORDER ADOPTING REPORT
COMPANY OF AMERICA,)	OF EXAMINATION
A Domestic Insurer.		

BACKGROUND

An examination of the financial condition of **NORTH WEST LIFE ASSURANCE COMPANY OF AMERICA** (the Company) as of December 31, 1997, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, Instructions, and Comments and Recommendations was transmitted to the Company for its comments on April 9, 1999.

The Commissioner or a designee has considered the report, the relevant portions of the examiner's work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 5 through 27 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **NORTH WEST LIFE ASSURANCE COMPANY OF AMERICA** and to order the company to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented some of the Instructions and Comments and Recommendations prior to the date of this order. The Instructions and Comments and Recommendations in the report are appropriate responses to the matters found in the examination.

ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Comments and Recommendations contained in the examination report on page 6:

1. The Company is ordered to comply with RCW 48.05.250 and follow the NAIC guidelines in the preparation of its annual statement, as noted in Instruction (1) of the examination report.
2. The Company is ordered to comply with RCW 48.23.300 which requires the payment of interest on policy proceeds at a rate of not less than 8% for policies issued in the state of Washington, as noted in Instruction (2) of the examination report.
3. The Company is ordered to pay interest on policy proceeds in accordance with the law of those states in which it issues policies, as noted in Instruction (2) of the examination report.
4. The Company is ordered to comply with RCW 48.12.010 (11) which sets a minimum cost of \$25,000 for EDP equipment to be considered admitted assets, as noted in Instruction (3) of the examination report.

5. The Company is ordered to comply with RCW 48.12.020 which expressly disallows prepaid expenses, agents' debit balances, and accounts receivable in the determination of the financial condition of the insurer, as noted in Instruction (4) of the examination report.

6. It is recommended that the Company update its custodial agreements with Seattle First National Bank to reflect the change of custodian from Seattle First National Bank to BNY Western Trust and to include provisions for indemnifying the Company for loss of securities, as required by the NAIC, as noted in Comments and Recommendations (1) of the examination report.

7. It is recommended that the Company make a concerted effort to eliminate reconciling items in a more timely manner, as noted in Comments and Recommendations (2) of the examination report.

8. It is recommended that the Company implement a system to accurately reflect balances of policy loans and to reflect changes in policy loans between anniversary dates, as noted in Comments and Recommendations (3) of the examination report.

ENTERED at Lacey, Washington, this 13th day of May, 1999.

DEBORAH SENN
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division